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SUBJECT: VIETNAM'S PRIVATE SECTOR PUSHES PM TO MAKE IMPORT-EXPORT
PROCEDURES MORE EFFICIENT

REF: HCMC 921 (East-West Corridor)

¶1. (U) Summary: Leaders and representatives from Vietnam's private sector urged the Prime Minister at a November 7 regional summit to reduce import-export red tape, or lose competitiveness to other regional players. Specific recommendations included implementation of single-window customs and e-clearances to speed up import-export processing. Others suggestions included easing immigration procedures for frequent travelers, such as business people and cargo truck drivers, an "Open Skies" aviation agreement, and improving infrastructure. End Summary.

KEY DEMANDS FROM VIETNAM'S BUSINESSES

¶2. (U) In their address to a November 7 regional summit between Vietnam, Laos, Burma, Cambodia and Thailand, called the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) Business Forum, and before an audience that included Prime Minister Dung, executives from the Vietnam Chamber of Commerce and Industry (VCCI) urged that Vietnam speed up customs processing and flow of imports and exports. Complaining that "in Singapore a container can clear customs in ten minutes, but in Vietnam it takes seven days," the VCCI representatives pointed to e-customs and single window initiatives as ways to increase competitive advantage.

¶3. (U) The private sector representatives also urged PM Dung and prime ministers from other ACMEC countries in attendance to expedite regional customs integration to speed regional trade flows. Customs information could be passed digitally from one country to the other, giving Customs officials and vendors an accurate estimated time of arrival and list of contents. The private sector stated that an e-logistics system would allow Vietnam and its regional partners to know the contents of containers entering and exiting their countries before the container leaves the country of origin.

¶4. (U) Other private sector suggestions included an "Open Skies" aviation agreement between ACMECS members and mutual investment in regional infrastructure projects. Specific infrastructure recommendations called for continuation of the East-West corridor project (REF), completion of a highway between Thailand and Cambodia, and the establishment of more border crossing points with joint customs inspection.

¶5. (U) The Vietnamese private sector representatives also talked about the need for new visa and country clearance procedures. The representatives urged the PM and the other four ACMEC leaders to approve the use of a business travel card for inter-ACMEC travel, single visas for third country tourists to visit all five ACMEC countries, and duty free imports for all capital goods used for development and infrastructure projects.

¶6. (U) PM Dung did not address any of the private sector's specific proposals when Dung opened the afternoon's discussions and closed them at the end with remarks. PM Dung focused his remarks on the current state of the Vietnamese economy. The PM stated that the Vietnamese economy grew seven to eight percent a year for the last several years and 8.5% in 2007. PM Dung reported that Vietnam currently has over 11,000 projects from 80 different countries with commitments of over \$57 billion in the first nine months of the year. He also stated that Vietnam has over 196 projects with other ACMECs member nations totaling over \$1.5 billion. The PM proclaimed that Vietnam would focus on macro-economic stability, sustaining growth, and leveling the playing field for foreign investment.

COMMENT

¶7. (SBU) Although many in the audience were taken aback at the directness of the Vietnamese private sector's remarks, numerous members of the audience applauded their suggestions. Most people laughed when one participant shared the Vietnamese example of a container taking seven days to clear customs and clapped when he called for single inspection. While the ACMEC leaders indicated agreement in principle to some of the recommendations, there is no concrete plan at this point for streamlining export-import procedures or simplifying burdensome customs red tape.

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